



DOD Centrally Billed Accounts

Travel Charge Card Program Management Office

**Sixth Annual GSA SmartPay Conference
New Orleans, Louisiana
August 24-26, 2004
Component Track Sessions**

Your Financial Partner @ Work

CBA Program

- **Delinquency/Timeliness Rates**
- **Tips for Controlling Your CBAs**
 - Audit Reports - Obtain, read & implement
 - Policy Changes - Keep abreast of changes
 - Guidelines - Review
- **Questions and Answers**

DoD CBA Delinquency - Unpaid on

- **DoD Rates** **\$ Del** **% Del**
- Aug 01 \$22.1M 9.5%
- Aug 02 \$4.1M 2.2%
- Aug 03 \$997K .5%
- Aug 04 \$1 .5%
- **Delinquencies are below the DoD goal of 3%.**
- **Good job!**

CBA Timeliness - Paid by day 30

August 2004 statistics

Del (Over 60)
by day 30)

\$1M

.5%

Past Due (Over 30)

\$23M

11%

On-Time (Pd)

\$187M

89%

- **Continue efforts to pay by day 30!**

Audit Reports Identified Control

- **GAO Audits:**

- October 2003 - 1st and Business Class Travel (#GAO-04-88)
- March 2004 - Unused Tickets (#GAO-04-398)
- June 2004 - Improper Payments (#GAO-04-576)

- DODIG Audit Mar 2004 - Defense Agencies

- USAF April 2003 - CBAs for Travel

Note: GAO reports can be viewed on line at: www.gao.gov

Policy Changes

- **Premium Class Travel** (Includes 1st and Business Classes)

JTR/JFTR changes made and include:

- A common standard for documentation of the authorization for premium travel (must be included on the travel order)
- Common guidelines on authorization of premium travel for medical reasons
- Decision support tool for use in determining whether premium class travel is appropriate
- Revised approval levels for 1st and business class travel
- Prohibition of approval of premium travel by subordinates
- Revised language regarding flights over 14 hours in duration
- Definitized rule pertaining to use of premium class travel. Premium travel is only authorized for TDY not PCS, except for medical reasons
- Adds mission required as a reason for premium travel

Policy Changes

Unused Tickets

- OUSD-AT&L Memorandum dated June 4, 2004 requires Components to modify CTO contracts to ensure performance standards for identifying and processing refunds for unused tickets; ensure CTO contracts include unused ticket reporting requirements; and ensure internal controls, policies and procedures be reviewed in order to ensure CTO compliance and monitoring of the requirements
- OUSD-C memorandum dated May 21, 2004 requires:
 - All travelers...to return unused tickets to their activities
 - Approving officials to closely review travel claims for unauthorized expenses and to perform necessary follow-up actions to ensure unused tickets are returned to the proper activity
- OUSD-C memorandum dated June 2, 2004 directs cancellation of unused tickets on day 30 following the last travel segment and reporting of unused tickets on a quarterly basis

**References: Memos are on the DFAS website at www.dfas.mil,
Travel Card**

Other Initiatives

- ***Unused Tickets continued***
 - ***Reminder remarks on LES***
 - ***Request GSA's assistance in getting automatic refunds***
 - ***Fielding DTS***
 - ***Researching/recovering costs of unused tickets***

Policy Changes

• Improper Payments

- JTR/JFTR changes include:
 - Requirement for the type of travel card (IBA or CBA) to be used for the trip, be included in the travel order
- OUSD-C memorandum dated May 21, 2004 requires:
 - All travelers be reminded to not claim airline tickets purchased through CBAs as reimbursable expenses on their travel vouchers
 - Approving officials to closely review travel claims for unauthorized expenses and to perform necessary follow-up actions to ensure unused tickets are returned to the proper activity
- DD1351-2, Travel Voucher, revised to:
 - Identify CBA as a mode of travel
 - Add a note reminding travelers that CBA must not be claimed as a reimbursable expense on the travel voucher

CBA Guidelines Review

- What can be purchased on a CBA?

Transportation accounts may be used for purchasing air, bus and rail tickets.

Unit Card accounts may be used for purchasing travel expenses to facilitate group travel.

Reference: DoDFMR Volume 9, Chapter 3, paragraph 030504.A1&.2

CBA Guidelines Continued

- What documentation is required for CBA charges?

CBA charges must be supported by an authorization document (i.e travel orders/authorization document) which identify:

- The recipient of the service
- Line of accounting
- Approving official
- Merchandise/service ordered

References : JFTR, para U2100 and U2115; JTR para C3050, DoDFMR, Vol. 9, Chapter 5 Section 0503

CBA Guidelines Continued

- **What documentation is required to substantiate a CBA Payment ?**

A CBA payment must be supported by the following (minimum) documentation:

- Travel authorization documentation (i.e. travel orders)
- Proof of purchase (i.e receipts, ticket/itineraries,etc.)
- Bank invoice
- Certified payment voucher

CBA Guidelines Continued

- How long must substantiating documentation be retained?

Certifying officials shall ensure that proper audit trails are built, that documentation is available to support charges and payments on a CBA, and that documentation is retained for the statutory period of 6 years and 3 months

**Reference : DoDFMRs, Volume 5, Chapter 21, Section 2101 and
Volume 9, Chapter 2, paragraph 020401.C.11**

CBA Guidelines Continued

- Who can authorize 1st and/or Business Class Travel?

Refer to the JTR, par. C2204-B2a and b for rules pertaining to DoD employees and to the JFTR, U2000-A2 for rules pertaining to military personnel. Also a decision support tool is at Appendix H, Part 11, Section C in each volume.

CBA Guidelines Continued

- ***What documentation must be presented to the CTO to obtain premium (First or Business) Class travel?***

Authorization must be in the travel orders.

Reference: JTR/JFTR, paragraph C1100-B; C3101-A13 and U2015 respectively

CBA Guidelines Continued

- **What actions are required to ensure cancellation and refund of unused tickets?**

The following actions are required:

- Traveler:
 - Turn in unused paper tickets to the CTO or
 - Notify the CTO to cancel trips per e-tickets
- CTO: Ensure receipt and processing of all e-ticket reports; process requests for refunds upon turn-in of unused paper ticket
- Approving Officials: Ensure travel is performed and appropriate action taken for canceled trips.
- GTO: Follow-up to ensure refunds are received and processed.
- Approving Officials: Ensure orders are cancelled, travelers return unused tickets, etc

CBA Guidelines Continued

- When is it appropriate for travelers to receive reimbursement for unused CBA funded tickets?

It is never appropriate for a traveler to file for reimbursement for a CBA funded ticket. CBA funded tickets are issued to the traveler at no cost to him/her. The credit card contractor pays the airlines for tickets and DFAS Vendor Pay, in conjunction with the Government Transportation Office, pays the Bank.

CBA Guidelines Continued

- Explain how the improper payments identified in the audit report pertaining to erroneous payments occurred.

Travelers requested and received a CBA funded ticket. The traveler then claimed reimbursement on the travel voucher. Travelers may claim reimbursement for personally funded expenses (includes charges made on the IBA). CBA charges are government liabilities, not subject to reimbursement to the traveler. Willfully making a false claim can result in criminal or civil penalties.

Note: A warning is printed in each travel voucher (DD Form 1351-2)

CBA Guidelines Continued

- **What are the controls for detecting improper claims for reimbursement on a travel voucher?**

All travel vouchers are required to be signed by an appropriate approving official who is aware of the circumstances surrounding the official travel. The approving official should detect and take appropriate action per fraudulent/improper claims.

Reference: DoDFMR, Volume 9, Chapter 2, Section 0204; Chapter 8, Section 0804

CBA Guidelines Continued

- **Why is it necessary to review the credit limit on a CBA?**

To ensure that the credit limit on the account is sufficient to meet the needs of the organizations and to ensure that the limit is not unnecessarily inflated.

- How frequently should credit limits be reviewed.

The DoDIG recommends annual reviews.

Reference: DoDIG audit report March 2004

CBA Guidelines Continued

- **What actions are required when a CBA cardholder departs the organization?**
 - Transportation accounts - Notify the Bank to delete the information on the transferred/separated account manager and change the record to show assignment of a new account manager.
 - Unit Card Accounts - If issued to an individual, notify the Bank to cancel the card. Apply for new accounts as necessary.

CBA Guidelines Continued

- **When is it appropriate to withdraw cash on a CBA?**

Check with your Component Program Manager or the TCPMO as cash is not recommended for use with a CBA.

CBA Guidelines Continued

Reconciliation Basics:

- Match each charge on the Bank's invoice to:
 - The authorization document (i.e. travel orders) which should identify:
 - Person receiving the service
 - The service/merchandise to be purchased
 - The line of accounting to be charged
 - The approving official
 - Special provisions such as premium travel
 - Receipt - must identify
 - The service/merchandise purchased
 - Quantity
 - Cost
 - Date of purchase
- Annotate the invoice to show the matched charges (computer application may be used for this purpose)
- Annotate the invoice and take action on unmatched charges
 - Dispute unrecognized charges and follow-up every thirty days
 - Suspend advance credits pending receipt of the credit
 - Research billing inquiries
- Suspend unmatched charges pending resolution on subsequent invoices
- Prepare certified voucher for payment of matched charges
- Maintain supporting documentation for 6 years and 3 months

Other Initiatives

- **DoD CBA CBT - Available for viewing at the Navy booth**
- **Bank of America**
 - Training anytime for 25 or more
 - Meets quarterly with Component CPMs
 - Review program statistics
 - Delinquency
 - Credit limits
 - Account utilization
 - Resolve problems

Summary

- **Delinquency/Timeliness Rates**
- **Tips for Controlling your CBAs**
 - Audit Reports – Obtain and review
 - Policy Changes – Keep Abreast
 - Guidelines - Review
 - CBA CBT coming soon
- **Questions and Answers**

Summary

Travel Card Program Management Office
Office: 703.607.0811 or 5040
Fax: 703.607.2129
DFAS Website: www.dfas.mil